

# KAKUZI PLC

## ANNOUNCEMENT OF GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

### Summarised Consolidated Statement of Profit or Loss and other Comprehensive Income

	31 December 2020	31 December 2019
	Shs'000	Shs'000
Sales	<u>3,608,941</u>	<u>2,888,662</u>
Profit before fair value gain in non-current biological assets and income tax	789,719	931,063
Fair value gain in non-current biological assets	57,813	83,414
<b>Profit before income tax</b>	<u>847,532</u>	<u>1,014,477</u>
Income tax expense	<u>(225,498)</u>	<u>(301,038)</u>
<b>Profit for the year</b>	<u>622,034</u>	<u>713,439</u>
<b>Other Comprehensive Income:</b>		
<i>Items that are not reclassified to profit or loss:</i>		
Remeasurement of post-employment benefit obligations (net of tax)	490	11,810
<b>Total comprehensive income</b>	<u>622,524</u>	<u>725,249</u>
	Shs	Shs
<b>Earnings per share:</b>		
Basic and diluted earnings per ordinary share	<u>31.74</u>	<u>36.40</u>

### Summarised Consolidated Statement of Financial Position

	31 December 2020	31 December 2019
	Shs'000	Shs'000
<b>EQUITY</b>		
Share capital	98,000	98,000
Other reserves	31,953	31,463
Retained earnings	5,083,696	4,814,462
Proposed dividends	352,800	274,400
<b>Total equity</b>	<u>5,566,449</u>	<u>5,218,325</u>
Non-current liabilities	<u>1,080,470</u>	<u>1,007,047</u>
	<u>6,646,919</u>	<u>6,225,372</u>
<b>REPRESENTED BY</b>		
Non-current assets	3,990,042	3,868,015
Current assets	1,246,650	896,890
Cash and cash balances	1,670,124	1,696,130
Current liabilities	<u>(259,897)</u>	<u>(235,663)</u>
Net current assets	<u>2,656,877</u>	<u>2,357,357</u>
	<u>6,646,919</u>	<u>6,225,372</u>

### Summarised Consolidated Statement of Cash flows

	31 December 2020	31 December 2019
	Shs'000	Shs'000
Cash and cash equivalents at the beginning of the year	<u>1,696,130</u>	<u>1,500,935</u>
Net cash generated from operating activities	541,255	785,578
Net cash used in investing activities	(358,206)	(406,500)
Net cash used in financing activities	(274,413)	(176,400)
Net exchange gains/(losses) on foreign currency cash & cash equivalent	65,358	(7,483)
<b>(Decrease)/increase in cash and cash equivalents</b>	<u>(26,006)</u>	<u>195,195</u>
Cash and cash equivalents at the end of the year	<u>1,670,124</u>	<u>1,696,130</u>

### Summarised Consolidated Statement of Changes in Equity

	Share capital	Other reserves	Retained earnings	Proposed dividends	Total Equity
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 1.1.2020	98,000	31,463	4,814,462	274,400	5,218,325
Profit for the year	-	490	622,034	-	622,524
Dividends – final for 2019	-	-	-	(274,400)	(274,400)
– proposed for 2020	-	-	(352,800)	352,800	-
At 31.12.2020	<u>98,000</u>	<u>31,953</u>	<u>5,083,696</u>	<u>352,800</u>	<u>5,566,449</u>

#### OVERVIEW:

The Company achieved robust results for the year, despite the uncertainty in our main sales markets caused by the COVID-19 Pandemic, with a pre-tax profit of Shs 848 million against Shs 1,014 million last year. Both avocado and macadamia export volumes were higher than 2019 but these were not sufficient to mitigate a significant reduction of 34% in the price of avocados. The market prices in 2019 were at record levels whilst 2020's prices were more in line with medium term average. The contribution to the overall results by macadamia and sales of wood products was encouraging and reflects the benefits of having a diversified product portfolio. The significant increase in tea production in Kenya (569 million kg v 458 million kg in 2019) has impacted negatively on price levels and consequently the profitability for this crop.

The results also include the cost of the Company defending itself from a UK law firm who wished to bring Kakuzi into the jurisdiction of the United Kingdom. As previously announced, Kakuzi was dropped as a party to the UK proceedings in July 2020.

#### DIVIDEND:

The Directors recommend the payment of a first and final dividend for the financial year 2020 of Shs 18.00 per ordinary share (2019: Shs 14.00) subject to shareholders' approval. The dividend shall be paid on or about 30 June 2021 to the shareholders on the members' register at the close of business on Monday, 31 May 2021.

The summarised consolidated financial results do not include all of the disclosures required for full financial statements and should be read in conjunction with the Annual Report and consolidated financial statements for the year ended 31 December 2020.

#### ANNUAL GENERAL MEETING:

The Annual General Meeting of the Company will be held on Tuesday, 18 May 2021 at 12.00 Noon by electronic means.

BY ORDER OF THE BOARD

NICHOLAS NG'ANG'A

CHAIRMAN

18 MARCH 2021



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## INDEPENDENT AUDITORS' REPORT ON THE SUMMARISED COSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF KAKUZI PLC

### *Opinion*

The accompanying summarised consolidated financial statements of Kakuzi Plc and its subsidiaries (the "Group"), which comprise the summarised consolidated statement of financial position as at 31 December 2020, the summarised consolidated statement of profit or loss and other comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year then ended, are derived from the audited financial statements of the Group for the year ended 31 December 2020.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of the Group, in accordance with the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 ("the Regulations") as applicable to summary financial statements.

### *Summarised consolidated financial Statements*

The summarised consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of the Group and the auditors' report thereon.

### *The audited financial statements and our report thereon*

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 18 March 2021. That report also includes the communication of a key audit matter.

### *Directors' responsibility for the summarised consolidated financial statements*

The Directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 Requirements as applicable to summarised financial statements.

### *Auditors' responsibility*

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Certified Public Accountants (Kenya)  
FCPA Anne Muraya, Practising certificate No. 1697.  
Signing partner responsible for the independent audit

18 March 2021